

FILED

RESPONDENT.

CAUSE NO. C-1687

JURISDICTION

- ## STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Conseco Life Insurance Company, Cause Number C-1687 on January 9, 2008. A copy of the petition was served upon the Respondent by mailing a

copy to Respondent's agent for service of process, CSC-Lawyers Incorporating, 1900 First Bank Bldg., 233 S. 13th Street, Lincoln, NE 68508, by certified mail, return receipt requested.

2. Respondent allegedly violated NEB. REV. STAT. §§44-1539, 44-1540(2), 44-1540(3), and 210 NEB. ADMIN. R. & REGS. 61-006.01, 006.03 and 61-007.01 as a result of the following conduct:

- a. On October 25, 2007, Katherine Miller ("Miller") filed a complaint with the Nebraska Department of Insurance. Miller, in her complaint, alleged Respondent failed to effectuate a prompt settlement of life claims for an insurance policies (#31004103 and #31022498) purchased by Miller's father, Isidor D. Richstein, prior to his death on August 5, 2007.
- b. On October 31, 2007, Scott Zager, an Insurance Investigator with the Nebraska Department of Insurance, contacted Respondent about the complaint.
- c. On November 16, 2007, Respondent replied to Zager's letter indicating the Respondent had received a telephone call from Miller on October 15, 2007 notifying Respondent of the death of her father, Isidor Richstein. In its response, Respondent also indicated that on November 2, 2007, Respondent received a completed claim form from Miller for Policy # 31022498 as well as "a copy of the certified mail receipt which showed the beneficiary had previously submitted documents to claims and in which she [Miller] stated included a certified death certificate. Upon further review we found the insured had two annuity products that were previously paid and the original certified death certificate was filed with these claims." Respondent also provided Zager notice that "both of the life claims were processed on November 13, 2007" and that it regrets the delay in processing the life claims.
- d. On November 26, 2007, Zager contacted Respondent indicating additional information was necessary to complete his review and called for the requested information to be provided to the Department within 15 business days.
- e. On December 18, 2007, Respondent responded to Zager's November 26, 2007 investigatory letter. As part of its response, Respondent provided a letter sent to Respondent by Miller on or around August 21, 2007 and received by Respondent on or around August 24, 2007. The aforementioned letter sent by Miller contained information regarding the death of her father, Isidor D. Richstein. The material sent to Respondent by Miller also contained photocopies of the two life insurance policies at

issue purchased by Isidor Richstein from Banker's Union Life Insurance Company now assumed and held by Respondent, certified death certificates for Miller's father and mother, a document listing Miller as the personal representative of her father's estate, and a request that the Respondent "issue a check for the combined policy amounts" in Miller's name. Respondent indicated in its December 18, 2007 response that "[a]ccording to the documentation you submitted to our office from Ms. Miller, informs us that a letter dated August 21, 2007 was sent and received in our office on August 24, 2007. The mail has now been located under the Policy Number listed on the policy which stated 4103. We currently do not have policy numbers such as this and feel this misplacement of correspondence may be due to a training issue." Respondent failed to provide documentation that within 15 days of receipt of Miller's August 21, 2007 letter that it acknowledged Miller's communication, provided the necessary claim forms to Miller, and initiated investigation of the claim(s).

3. Respondent was informed of its right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving the right to a public hearing, Respondent also waives the right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondent admits the allegations stated in Paragraph 2 with respect to NEB. REV. STAT. §44-1540(2) and 210 NEB. ADMIN. R. & REG. 61-06.01, 61-006.03 and 61-007.01.

CONCLUSIONS OF LAW

Respondent's conduct, as alleged above, constitutes a violation of NEB. REV. STAT. §44-1540(2) and 210 NEB. ADMIN. R. & REGS. 61-006.01, 61-006.03 and 61-007.01.

CONSENT ORDER

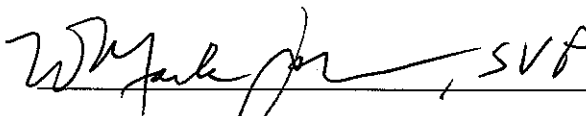
It is therefore ordered by the Director of Insurance and agreed by Respondent, Consec Life Insurance Company, that Respondent shall pay an administrative fine in the amount of seven hundred fifty dollars (\$750.00) due within 30 days after the Director of Insurance or her designee

approves and signs this consent order. Respondent also agrees to address its claims review process in order to rectify the issues that arose from the substance of the petition filed in this matter.

The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling the Department to make application for such further orders as may be necessary. If Respondent fails to pay the amount required as specified under this consent order, additional administrative action shall be taken by the Petitioner, which may include revocation of Respondent's Nebraska certificate of authority. In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing his/her signature below.



Joel F. Green, #22900
Attorney for Petitioner
941 "O" Street, Suite 400
Lincoln, NE 68508
(402) 471-2201



Conseco Life Insurance Company,
Respondent

By: _____

2-5-2008
Date

2-4-08
Date

State of Indiana)
County of Marion) ss.
)

On this 4th day of February, 2008, W. Mark Johnson,
an authorized representative of Conseco Life Insurance Company, personally appeared before
me and read this Consent Order, executed the same and acknowledged the same to be his/her
voluntary act and deed.


Renee Wake
Notary Public

RENEE WAKE
Notary Public, State of Indiana
County of Marion
My Commission Expires Sep. 02, 2008

CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Conseco Life Insurance Company, Cause No. C-1687.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



ANN M. FROHMAN
Director of Insurance

2/6/08
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to the Respondent by mailing a copy to Respondent's registered mailing address, Legal Department MC-A3A, P.O. Box 1911, Carmel, IN 46032 on this 6th day of February, 2008.

